DECLASSIFIED RET 14 LIBYA (E)

Department of State

TELEGRAM

211

CONFIDENTIAL 016

PAGE 01 TRIFOL 00334 201641Z

52
ACTION AF-18

INFO OCT-01 EUR-20 NEA-13 L-04 CIAE-00 DODE-00 PM-05 H-02
INR-07 NSAE-00 NSC-10 P-03 RSC-01 PRS-01 SS-20
USIA-12 E-15 COM-08 INT-06 TRSY-11 SIL-01 LAB-06
RSR-01 /165 W

016926

R 201436Z FEB 70
FM AMEMBASSY TRIPOLI
TO SECSTATE WASHDC 5923
INFO AMEMBASSY ALGIERS
AMEMBASSY BEIRUT
AMEMBASSY BENGHAZI
AMCONSUL DHAHRAN
AMEMBASSY JIDDA
AMEMBASSY KUWAIT
AMEMBASSY LONDON
AMEMBASSY TEHRAN

DEPARTMENT OF STATE A/CDC/MR
REVIEWED BY CJ DATE 8/7/81
PORTIONS DENIED AS INDICATED

C O N F I D E N T I A L TRIPOLI 334

SUBJECT: POSTED PRICE NEGOTIATIONS

REF: TRIPOLI 286

1. [redacted] ESSO SCHEDULED TO MEET AGAIN WITH MINISTRY PETROLEUM AND MINERALS PRICE COMMITTEE FEB 23 FOR WHAT APPEARS TO BE OPENING OF SECOND ROUND IN POSTED PRICE NEGOTIATIONS. B4

2. COMMENT: WE EXPECT REAL BARGAINING NOW IS ABOUT TO BEGIN, WITH COMPANIES' HITHERTO SOLID FRONT BEGINNING TO SHOW SOME SIGNS OF STRESS. E.G. [redacted] B4
COMMITTEE MAY BE RECEPTIVE TO THIS PROPOSAL, SINCE LARG IS CONCERNED ABOUT DECLINE IN EXPLORATION AND DEVELOPMENT ACTIVITY REFLECTED IN REDUCTION OF NUMBER OF DRILLING RIGS.

CONFIDENTIAL

DECLASSIFIED 29

DECLASSIFIED

Department of State **TELEGRAM**

CONFIDENTIAL

PAGE 02 TRIPOL 00334 201641Z

IN SERVICE FROM 48 IN AUGUST 1969 TO 34 IN JANUARY 1970, WITH FURTHER DECLINE TO 24 BY END 1970 FORECAST BY OIL SERVICE COMPANIES. UNEMPLOYMENT RESULTING FROM RIG SHUTDOWNS HAS ATTRACTED PARTICULAR ATTENTION.
GP-4.
JOSIF

DECLASSIFIED